

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

MUR: No. 04-0077

STATEMENT OF REASONS OF EXTERNAL INVESTIGATIVE CONSULTANT

On behalf of the Citizens Clean Elections Commission (“Commission”), the External Investigative Consultant hereby provides the Statement of Reasons showing reason to believe violations of the Citizens Clean Elections Act (“Act”) and Commission rules have occurred.

I. Procedural Background

On October 4, 2005, an internally-generated complaint was amended to allege that Jeff Dial (“Respondent”), a participating candidate for State Representative, District 20, violated the Act by failing to identify on his campaign finance reports the full name and street address of persons providing goods and services to his campaign. Exhibit A. Respondent’s Pre-Primary and Post-Primary Campaign Finance Reports are attached as Exhibit B. Respondent’s Response is attached as Exhibit C.

II. Alleged Violations

Respondent’s campaign finance reports show the following expenditures to Constantin Querard:

8/10/04	\$ 1363.00	Campaign Literature
8/14/04	\$ 50.25	Calling
9/01/04	\$5,600.00	Campaign Literature
9/02/04	\$2,172.80	Campaign Literature
9/02/04	\$1,925.00	Campaign Literature
9/02/04	\$3,450.00	Campaign Literature
9/02/04	\$1,560.00	Campaign Literature

They also show that the campaign committee received a refund from Mr. Querard on 9/05/04 of \$1,700.00, without attributing it to any particular expenditure.

A.R.S. Sec. 16-948(C) requires candidates to identify on their campaign finance reports “the full name and street address of the person [providing goods or services to the campaign] and the nature of the goods and services and compensation for which payment has been made.” The Commission has dealt with a number of complaints against candidates in the 2004 elections for similar violations, Mr. Querard was involved in some but not all of those, and generally acted as a “one stop source” through which clients could obtain graphic design, printing, mailing and other services they required, although

Mr. Querard himself did not provide those services directly. In each of those matters the Commission found reason to believe the reporting requirements of the Act had not been met, and the basic facts here appear identical to those other cases.

III. Reason to Believe Finding

Based on the complaint, Respondent's campaign finance reports, and the Respondent's response, the External Investigative Consultant recommends the Commission find reason to believe violations of the reporting requirements of A.R.S. Sec. 16-948(C) of the Act occurred as detailed above.

If the Commission determines by an affirmative vote of at least three of its members that it has reason to believe a respondent has violated a statute or rule over which the Commission has jurisdiction, the Commission shall notify Respondent of the finding, setting forth: (1) the sections of the statute or rule alleged to have been violated; (2) the alleged factual basis supporting the finding; and (3) an order requiring compliance within fourteen days. During that period the Respondent may provide an explanation to the Commission, comply with the order, or enter into a public administrative settlement. A.R.S. Sec. 16-9576(A) and A.A.C. R2-20-208(A).

After the Commission finds reason to believe that a violation of a statute or rule over which the Commission has jurisdiction has occurred, the Commission shall conduct an investigation. A.A.C. R2-20-209(A). Upon expiration of the fourteen days, if the Commission finds that the alleged violator remains out of compliance, the Commission shall make a public finding to that effect and issue an order assessing a civil penalty in accordance with A.R.S. Sec. 16-942, unless the Commission publishes findings of fact and conclusions of law expressing good cause for reducing or excusing the penalty. A.R.S. Sec. 16-957(B).

Dated this 28th day of October, 2005

By: _____
L. Gene Lemon, External Investigative Consultant